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SENSITIVE

PLEASE PASS TO IO, IO/T, ISN/NESS Richard J.K. Stratford; and DOE/MNSA Adam Scheinman, Richard Goorevich, and Melissa Krupa

E.O. 12958: N/A

TAGS: AORC ENRG IAEA KNNP TRGY BR

SUBJECT: BRAZIL READY TO CONSTRUCTIVELY DISCUSS SUPPLY ASSURANCES

REF: UNVIE VIEN 641

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- 11. (SBU) On November 7, 2007, per REFTEL ESTHOff met with the Deputy Head of the Ministry of External Relations' Department of Disarmament and Sensitive Technologies (DDS), Luis Galvao, to discuss Brazilian views on supply assurances leading up to the visit to Brazil by IAEA Director General, ElBaradei. Galvao said that Brazil is ready to discuss supply assurances in a "constructive manner" so long as its right to develop nuclear energy for peaceful purposes is not hindered. Galvao emphasized that Brazil's position does not fall in line with other countries who oppose the scheme, such as Argentina.
- 12. (SBU) While Galvao was not able to clearly state that Brazil supports or opposes current efforts on reliable access to nuclear fuel, he indicated that the GOB is primarily keen to protect its right to develop nuclear energy for peaceful purposes. Thus, any international initiative that may interrupt its enrichment activities or disrupt the international market would affect its position.
- 13. (SBU) Galvao added that the supply assurances scheme is interesting to the GOB because as a nuclear fuel producer it would be interested in becoming a regional supplier in the future. Given their desire to possibly become a regional supplier, Galvao also indicated that the GOB has a positive attitude toward the safety net.

ADDITIONAL PROTOCOL

14. (SBU) With regard to the additional protocol Galvao said only that the initiative is still under consideration by the GOB. He explained that while there are those within the GOB who oppose the additional protocol, there are also those that support it. Even so, Galvao speculated that eventually the GOB would agree to the additional protocol mainly because the GOB believes that an implementation agreement could be tailored to address the GOB's needs/concerns.

COMMENT

15. (SBU) The GOB consistently reiterates its position that it will not support agreements/protocols, etc. that could in any way limit its right to develop its nuclear energy program for peaceful purposes. A major related question to its nuclear activities, and one that may gain more prominence should the GOB seek to become a regional supplier, is the GOB's plan, or lack thereof, to recycle nuclear waste. Moreover, the GOB's reinvigoration of the

construction of its Angra III nuclear power facility (which was stalled for many years due to lack of funding and congressional support), recently renewed cooperation with India and South America, and construction of a nuclear powered submarine (by 2015), may bolster Brazil's current role as a leader in the developing world. It may also lead to an expanded role in multilateral fora with regard to non-proliferation and regulating peaceful uses of nuclear energy. End Comment.

CHICOLA